

Analytical Indicators of the Middle-Income Population in Uzbekistan

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Abstract: One of the factors influencing the efficient use of labor resources and changing its level is the income of the middle-income population. This article examines the economic analysis of the middle-income population in Uzbekistan. The article analyzes the share of the poor, the income of the population by the detsel ratio.

Keywords: population income, national income, cash and in-kind income, Detsel coefficient, low-income population.

According to the Constitution of the Republic of Uzbekistan, "Everyone has the right to own property"¹. Therefore, all citizens of Uzbekistan have a certain level of income in the exercise, acquisition, disposal and use of this right.

We know that cash and in-kind (product) receipts for the entire population reflect the contribution of the population to national income. Based on the study of the income of the population, we assess the living standards, stratification and overall living standards of citizens in this country. The population of Uzbekistan at the beginning of 2021 was 34558891 people, of which 21458447 people (percent) are from 15 to 60 years old, 17510.4 people (percent) are urban residents. Assuming that the income of the population will be in kind and in money, we can say that half of the citizens of Uzbekistan live in rural areas, and the products grown on their farms will look like natural incomes. At the same time, the provision of free products and services to the population in need is a significant part of it. The abundance of these agricultural incomes and subsidized products led us to conclude in our abstract thinking that natural incomes in Uzbekistan are large. Given that it is not possible to calculate natural income, we proceed to the analysis of cash receipts.

When analyzing the income of the population of Uzbekistan, first of all it is necessary to consider the share of the poor (Table 1).

Table 1 Proportion of low-income in the Republic of Uzbekistan (based on sample surveillance of households, in percent)²

Indicator	Years									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Proportion of low-income population	16,0	15,0	14,1	13,3	12,8	12,3	11,9	11,4	11,0	11,5

Table 2.1 shows that the share of low-income people in Uzbekistan has decreased by 4.5% compared to 2011 and has remained stable at around 11% in recent years. This is due to the fact that the state has adopted social protection as a strategic process, not only the allocation of

¹ Constitution of the Republic of Uzbekistan. Article 36 T.: “Uzbekistan” publishing house, 2019.

² Data of the State Tax Committee of the Republic of Uzbekistan.

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benefits, but also the involvement of the population in entrepreneurship, the introduction of soft loans. The introduction of restrictions related to the Covid-19 pandemic in 2020 had a significant impact on the share of the poor. However, the "iron book", which was quickly adopted by our state, did not allow it to grow. The table is based on the World Bank recommendation that the poverty rate be calculated at 2,100 kcal per day. This indicates that the level of food supply in our area is normal.

In order to support the poor in our country, the Cabinet of Ministers of the Republic of Uzbekistan adopted a resolution dated April 28, 2021 No. 250 "On additional measures for social support of families, women and youth in need of financial assistance." In order to provide targeted social support to the population, in order to organize individual and systematic work with each person, a completely new "Iron Book" for families in need of financial assistance and support - social, economic, legal, psychological support, It is planned to implement the "Women's Book" and "Youth Book" systems for women and young people with the need and desire for knowledge and vocational training, respectively.

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Table 2 Uneven distribution of income of the population of the Republic of Uzbekistan by 10% of the population³

Detsil groups	Years										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Detsil I	3,0	3,1	3,2	3,4	3,7	3,8	3,9	3,9	3,7	3,4	3,3
Detsil II	4,9	5,0	5,0	5,1	5,3	5,4	5,5	5,4	5,3	5,1	5,1
Detsil III	6,1	6,1	6,0	6,0	6,3	6,4	6,4	6,4	6,4	6,2	6,2
Detsil IV	7,0	7,0	7,0	7,0	7,2	7,3	7,2	7,3	7,3	7,1	7,2
Detsil V	7,8	7,9	7,9	7,7	8,0	8,1	8,1	8,1	8,2	8,1	8,2
Detsil VI	9,0	8,9	9,0	8,8	9,0	9,1	9,1	9,1	9,2	9,1	9,3
Detsil VII	10,4	10,2	10,3	10,2	10,0	10,2	10,2	10,3	10,5	10,5	10,6
Detsil VIII	12,2	12,2	11,9	11,9	11,4	11,5	11,6	11,7	12,1	12,1	12,5
Detsil IX	14,9	15,1	14,4	13,8	13,5	13,8	13,9	14,1	14,7	14,8	15,2
Detsil X	24,7	24,5	25,3	26,2	25,6	24,4	24,1	23,7	22,6	23,5	22,5
Differentiation coefficient for groups of 10% of the population's income	8,2	8,0	7,9	7,8	7,0	6,4	6,2	6,1	6,0	6,9	6,8

The data in Table 2 show that the income differentiation coefficient for 10% of the population decreased by 1.4% compared to 2011. This indicates that the level of the gap between the incomes of the total population has decreased. Group I decile group in Table is the group with the lowest income, which has increased compared to 2011 in terms of share level. This increase means that the income level has shifted downward at a low level of poverty among the

³ Data of the State Tax Committee of the Republic of Uzbekistan.

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population. Based on the study of the median income, ie the difference between decimals V and VI, we can determine the average income of Uzbekistan. We can see that median income has not changed in recent years, it has grown again. A decrease was observed in the X decil group, which means that we have an increase in the income of the population with a number of economic resources.

These analyzes encourage the scientific study of the economic category of "labor". As a result of the development of socio-economic relations, the meaning and content of economic categories such as "labor resources", "labor force" are changing. These concepts have begun to be widely used not only in the scientific and economic literature, but also in our daily practice.

The labor force is considered in economics as a set of physical and spiritual abilities that a person uses in the process of labor. R.J. Ehrenberg and R.S. Smith "The workforce is defined as those over the age of 16 who are employed and actively seeking employment"⁴.

American economists K.R. McConnell and S.L. Brewer paid special attention to the quantity and quality of labor resources as a factor influencing economic growth. According to their theory, labor resources are determined by the number of people employed in the economy and the able-bodied population. Factors that represent the quality of labor resources and affect labor productivity are indicators of the growth of people's health, vocational training, knowledge and material interests.

Today, the term "workforce" is used in three senses:

as a set of physical and spiritual abilities that are employed in creating the value of a living human being;

the part of the population that is employed or looking for work - as a synonym for the economically active population;

as workers in general or as employees of a particular enterprise.

But at the same time, the terms "labor resources" and "labor force" have different options, and their use will require conscious and appropriate interpretation.

Thus, the concepts of "labor resources" and "labor force" are used differently in different sources and in many cases are almost indistinguishable from each other.

The need for centralized control of the income of the population by the state was studied by J. Keynes in his book *The General Theory of Employment, Interest Rates, and Money* (1936). The state has a limited impact on consumption through the tax system, interest rates, and capital investments. The fund does not always invest in production, which leads to a disruption of the macroeconomic balance of the economy. To restore balance at the macro level, it is necessary to increase production capacity, increase the demand necessary to ensure the consumption of its result. It is possible to effectively stabilize the economy by ensuring high incomes and redistribution of the population for consumption. "As jobs rise, total real income increases. The psychology of society is that an increase in total real income leads to an increase in total consumption. The basic psychological law here is that people increase consumption as income increases, but not at the level of income growth."⁵

According to the life cycle theory of F. Modigliani, a representative of neoclassical synthesis, the level of a person's consumption expenditures is realized not only on the basis of current income, but also on the basis of the amount of his property. Current consumption is a function not only of current income, but also of the total wealth of the consumer. All consumers try to distribute their purchases in such a way that purchases are evenly distributed throughout their lives and the property they own is spent at the end of their life. Consumers save a portion of their earnings during the employment period to spend as they get older. According to F. Modigliani, young

⁴Смит А. Исследование о природе и причинах богатства народов». - М - Л, 1935, - с. 98

⁵ Кейнс Дж. М. Общая теория занятости, процента и денег. – М., 1999. с. 80, 121.

people live on borrowings (from parents, the state, for example, educational loans) because of high consumption, and in adulthood - $Y > C$, ie consumption is lower than income. This is because there is a limited tendency to accumulate (accumulation in old age); along with pension funds, transfers of adult children are also spent on purchases in old age. Thus, high-income households save on costs, realizing that future cash inflows will not be constant. On the contrary, households expect higher incomes in the future and tend to borrow and live on debt, thereby increasing their consumption levels. This hypothesis explains, for example, that the living standards of young families are much higher than their incomes. Conversely, older people who are close to retirement age limit consumption from current income because they know their future income will decrease.

The Modigliani lifestyle model has been rejected by empirical researchers. According to them, low-income segments of the population are not able to create any savings. At the same time, depending on income, the consumption of different strata of society will also vary. Low-income households focus almost all of their income on consumption and even live in debt. The higher the household income, the more savings can be made. Therefore, economists began to study the factors that influence the reduction of savings for consumption. Some authors, in particular, F. Modigliani explains that an increase in consumption in proportion to income can improve existing products, absorb additional income from each social group, and continuously develop updated products.

The differences between the concepts of "labor resources" and "labor force" are:

The concepts of "labor resources" and "labor force" have different meanings and must go through several stages in the process of transformation of labor resources into labor. At the initial stage, labor resources are a potential part of the workforce, which increases the experience of working with tools and tools. In the second stage, labor resources are distributed to workplaces. Thus physical and mental abilities are expended in the process of labor. Labor resources are transformed into labor in this process. In the third stage, the labor force spends time and creates a material blessing, and this blessing has a consumption value.

To the working age population in Uzbekistan:

Men 16 to 60 years of age;

Includes women aged 16 to 55 years.

However, not all people in this age group are considered able-bodied. Therefore, the able-bodied population of working age is determined by subtracting the number of disabled people of this age group I and II, as well as the number of able-bodied people receiving pensions on preferential terms.

The second category of labor resources is those who are engaged in labor under the age of working age and older. Recruitment is allowed from the age of sixteen. Persons who have reached the age of fifteen may be employed with the written consent of one of the parents or their surrogate.

The Republic of Uzbekistan annually develops a balance of labor resources. The balance of labor resources is a system of indicators that characterizes the availability of labor resources and their distribution. In the balance of labor resources, one phase of the scales is "formation" and the other phase is "distribution".

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